

TEACHERS' RETIREMENT BOARD

SUBCOMMITTEE ON CORPORATE GOVERNANCE

---

SUBJECT: Panel Discussion on Corporate Governance

ITEM NUMBER: 3

ATTACHMENT(S): 1

ACTION: \_\_\_\_\_

DATE OF MEETING: May 7, 2003

INFORMATION: X

PRESENTER(S): Janice Hester Amey

---

**Executive Summary**

The panel participants are Graef Crystal, the noted compensation analyst, Mr. Richard Steinberg from Price Waterhouse Coopers LLP, and Ms. Nell Minow from The Corporate Library. This will be a general discussion of Executive Compensation and the provisions of Sarbanes-Oxley. Panel participant biographies are attached to this item.

## **GRAEF CRYSTAL**

---

Graef Crystal specializes in the field of executive compensation. He is a Columnist for Bloomberg News and *Bloomberg Markets* magazine and a TV commentator for Bloomberg Television. Between 1989 and 2000, he edited his own newsletter on executive pay, called crystalreport.com.

For some 20 years, Mr. Crystal worked as an executive compensation consultant. All but two of those years were spent with Towers Perrin, a leading New York management consulting firm, where he was a Vice President and member of the Board of Directors and where he headed the firm's worldwide compensation consulting practice. Over his long consulting career, he personally advised literally hundreds of major companies.

Between 1986 and 1996, and again in 1999, Mr. Crystal was an Adjunct Professor of Industrial Relations and Organizational Behavior at the Haas School of Business of the University of California at Berkeley, where he taught graduate courses in executive compensation issues and design.

Counting the material published in his newsletter, Mr. Crystal has written more than 1,400 articles on executive compensation topics, contributing frequently to such major publications as *Fortune*, *The New York Times*, *The Washington Post*, *USA Today*, *The Los Angeles Times*, *Slate*, *Financial World*, *The Wall Street Journal*, *Vanity Fair* and *The London Sunday Telegraph*. His articles for *Bloomberg News* appear weekly and are syndicated around the world. In 2001, he was named a finalist for the Gerald Loeb Awards for Distinguished Business and Financial Journalism. In 2002, he won the National Headliners Award for commentary.

He has also written six books, including, most recently, *In Search of Excess: The Overcompensation of American Executives* and *What Are You Worth?* One of his books has been translated into Spanish and two into Japanese. In addition, he has contributed chapters to 11 other books. His book, *In Search of Excess*, was cited by *Business Week* as one of the ten best business books of 1991 and was endorsed by President Bill Clinton, who called it "A wake-up call to the corporate world."

In addition to his writing, Mr. Crystal has done extensive work in both national and local television and radio. He has appeared on *The NBC Nightly News*, *The ABC Evening News*, *The CBS Evening News*, *ABC Nightline*, *Adam Smith's Moneyworld*, *The Charlie Rose Show*, *Pozner & Donahue*, *CNN*, *CNNfn*, *CNBC*, *Fox News*, *Good Morning, America*, *The Today Show*, *The CBS Morning News*, *Larry King Radio* and *California This Week*. In addition, he was the subject of a *CBS 60 Minutes* story in 1991 and the principal on-camera contributor to a second *CBS 60 Minutes* story in 1996, both by Lesley Stahl. He currently appears twice weekly on Bloomberg Television.

Mr. Crystal has been profiled in many periodicals, including *The New York Times*, *The Washington Post*, *USA Today*, *The Los Angeles Times*, *The San Francisco Chronicle*, *The San Jose Mercury News*, *Lears*, *San Francisco Focus* and *The San Diego Union-Tribune*. *Fortune* called him “America’s Leading Expert on Executive Compensation.” And *The Wall Street Journal* called him “A Walking Encyclopedia of Executive Pay.” In 1997, the magazine, *H.R. Executive*, named Mr. Crystal as one of the ten people who have had the most influence on the human resources profession during the past decade. He was the only compensation professional on the list.

He has also been active in the public policy arena, serving as a consultant to the U.S. Securities and Exchange Commission and the Financial Accounting Standards Board. In addition, he has testified on executive compensation issues three times before the U.S. Senate and once before the U.S. House of Representatives.

Mr. Crystal has been listed in "Who's Who in America". A 1956 industrial psychology graduate of the University of California, Berkeley, he also received a Master of Arts degree in the same field from Occidental College in Los Angeles.

## **RICHARD M. STEINBERG**

---

Rick Steinberg is a senior partner of PricewaterhouseCoopers LLP and its U.S. Corporate Governance Leader, responsible for design and development of PwC’s corporate governance program, thought leadership, and serving major company boards of directors on corporate governance issues. He advises boards of Fortune 100 companies, major institutional investors and leading universities, as well as other large and middle market company boards and equity investors.

Mr. Steinberg led his firm’s major governance study culminating in the highly acclaimed published reports, *Corporate Governance and the Board – What Works Best* and the companion, *Audit Committee Effectiveness – What Works Best*, providing leading-edge guidance to boards of directors and audit committees worldwide on best governance practice. Other recent works include the *Current Developments for Audit Committees* series, and *Navigating Fair Disclosure*.

Mr. Steinberg is a recognized leader in the corporate governance community. He is a member of Conference Board’s Global Corporate Governance Research Center Advisory Board, sponsor of Corporate Board Member’s Academic Council, a member of Open Compliance Education Guidelines Executive Advisory Panel, and invited by the GAO to participate in its high level Forum on Governance and Accountability. He is co-founder and co-leader of the PwC-University of Delaware Center for Corporate Governance Directors’ College, and is leading a major developmental study on risk management for the Committee of Sponsoring Organizations of the Treadway Commission (COSO). He is widely published, authoring books, monographs and articles in leading journals, is frequently quoted in the financial press –

including *Business Week*, *Fortune*, *The Wall Street Journal* and the *Financial Times* -- and is an active and sought-after speaker by business, professional, and academic organizations.

Mr. Steinberg was a founder of his firm's risk management and control consulting practice and served as its global leader, overseeing development of client service capabilities around the world and leading major client engagements. He served as the lead project partner in developing the COSO *Internal Control -- Integrated Framework*, now recognized as a landmark representing *the* standard of internal control. And he spearheaded development of his firm's interactive system providing leading-edge industry, best practice, and benchmarking information to PwC's client service professionals worldwide.

Mr. Steinberg has long been a leader in shaping professional standards, serving as chair or member of many committees and task forces of the American Institute of Certified Public Accountants. He is a graduate of the University of Pennsylvania's Wharton School, holds an MBA from New York University's Graduate School of Business, and is recognized in *Who's Who in Finance and Industry*.

## **NELL MINOW**

---

Nell Minow is Editor of thecorporatelibrary.com, an Internet site that compiles research, study and critical thinking about the nature of the modern global corporation, with a special emphasis on boards of directors and executive compensation. It publishes a weekly newsletter and special reports and studies, including reports on CEO employment contracts, related transactions, corporate loans to executives, and "golden handshakes." The Corporate Library has an extensive database of over 1800 public companies and over 20,000 directors and provides data to search firms, director and officer liability insurers, law firms, accounting firms, press, academic researchers, consultants, investors, and corporations.

Ms. Minow was formerly a Principal of LENS, a \$100 million investment firm that bought stock in underperforming companies and used shareholder activism to increase their value. Before that, she served as general counsel and then president of Institutional Shareholder Services, Inc., a firm that advises institutional investors on issues of corporate governance, and as an attorney at the Environmental Protection Agency, the Office of Management and Budget, and the Department of Justice. She is co-author of three books and author of over 200 articles about corporate governance.